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U.S. POSTAL INSPECTORS ARREST SUSPECT IN PIPE BOMB MAILINGS TO INVESTMENT FIRMS; EARLIER THREATS SIGNED "THE BISHOP"

Iowa machinist arrested without incident in Dubuque

CHICAGO – A Dubuque, Iowa, man was arrested today by federal agents led by the U.S. Postal Inspection Service for allegedly mailing two partially disconnected pipe bombs from a Chicago suburb to investment firms in Denver and Kansas City in January to extort actions in the securities markets. Criminal charges unsealed following the arrest link the defendant, **John P. Tomkins**, to a series of more than a dozen threatening letters to investment companies and individuals associated with them dating back nearly two years, some of them signed "The Bishop," announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Kenneth T. Laag, Inspector-in-Charge of the Chicago Division of the U.S. Postal Inspection Service.

Tomkins, 42, of Dubuque, a machinist at a Dubuque manufacturing company, was arrested without incident while on his way to work early this morning. Agents subsequently began executing a search warrant at his residence.

Tomkins was charged in a two-count criminal complaint filed yesterday and unsealed today with one count of mailing a threatening communication with intent to extort and one count of possession of an unregistered destructive device. He was expected to appear at 2 p.m. today before U.S. Magistrate Judge Sidney I. Schenkier in U.S. District Court in Chicago.

The arrest followed an intensive investigation by more than 100 Postal Inspectors, joined by agents from the Federal Bureau of Investigation's Joint Terrorism Task Force and the Bureau of Alcohol Tobacco Firearms and Explosives. The U.S. Securities and Exchange Commission, the Illinois State Police, the Iowa Department of Public Safety and the U.S. Attorney's Office in the Northern District of Iowa also assisted in the investigation. Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the FBI; Andrew L. Traver, Special Agent-in-Charge of ATF in Chicago; and Linda Thomsen, Director of the Enforcement Division of the SEC, joined Mr. Fitzgerald and Mr. Laag in announcing the charges.

"Public safety is our first concern, and the agents who conducted this investigation potentially saved lives by apprehending this defendant before he posed any greater public peril," Mr. Fitzgerald said.

"Our team has worked around the clock," Mr. Laag said. "We analyzed complex financial records, and utilized our bomb experts and forensic scientists. Most importantly, we used good old-fashioned police work. The men and women who worked on this investigation are to be commended for bringing this case to a swift conclusion before anyone was harmed."

"We couldn't have done this investigation without the help of the Securities and Exchange Commission and the additional resources offered by the Joint Terrorism Task Force," Mr. Laag added. "The U.S. Postal Service processes more than 200 billion pieces of mail every year. Situations like this are exceedingly rare and will be aggressively pursued. The swift action in this case should reassure the public that they can continue to have confidence in the mail."

Authorities said Tomkins formerly was a substitute rural letter carrier who worked weekends for the U.S. Postal Service. He was no longer employed by the Postal Service when the explosive devices were sent, and there is no allegation that his previous employment was a factor in the case.

According to the complaint affidavit, two parcels were deposited on or about January 26, 2007, at the Rolling Meadows Post Office in Rolling Meadows, Illinois, northwest of Chicago. One parcel was addressed to an individual at Janus Small Cap at an address in Denver, where it was forwarded unopened by Janus to a related entity in Chicago. The second parcel was addressed to an individual at American Century at an address in Kansas City, Missouri. Upon delivery, authorities were notified and both parcels were recovered by Postal Inspectors.

Each parcel contained what appeared to be a booby-trapped improvised explosive weapon, commonly known as a pipe bomb. The devices were analyzed by an ATF explosives enforcement officer and determined to be technically functional but the firing circuit was not fully connected. Had a partially disconnected wire been connected to the device's battery, the device would have instantly exploded. The devices could have caused property damage and were capable of causing serious injury or death to persons near the explosion.

The affidavit recites a letter contained in each parcel stating, in part: "BANG!! YOU'RE DEAD." It also stated there would be a rally over three consecutive days in early February in the stock price of a company called Navarre Corporation, a publicly-traded technology and entertainment company that trades under the ticker symbol NAVR.

The affidavit describes 16 other threatening letters that were mailed to investment companies and individuals associated with them since May 2005. Typewritten letters signed "The BISHOP" were postmarked respectively on May 23, 2005, in Chicago and September 7, 2005, in Palatine, Ill., a suburb northwest of Chicago, and two were sent on October 25, 2005 in Milwaukee. The May 23 letter to an investment company executive, for example, stated how easy it is to kill someone, citing "The Unibomber" (sic) and "Salvo," in referring to convicted sniper Lee Malvo. All four letters also

contained threatening language and demands that the price of 3Com Corporation (COMS) stock be raised to \$6.66 by October 31, 2005.

On October 25, 2005, another mailing was postmarked in Milwaukee to an investment company executive, listing Individual A as the return addressee. The mailing contained a photograph of Individual A's residence, with the following words printed on the photograph: "DO YOU KNOW WHO LIVES HERE? I DO" and "REMBER COMS 6.66 10/31/2005". The mailing was misaddressed to the investment company executive. According to Individual A, who subsequently provided the letter to authorities, the letter was delivered to Individual A as the return addressee. At the time of the mailing, Individual A was an administrative assistant at the same investment company that employed the executive to whom the letter was addressed.

On March 13, 2006, four letters were postmarked in Des Moines, Iowa, according to the affidavit. One letter was addressed to a senior officer of Navarre Corporation, complaining about the officer's compensation and the company's stock price decline. The letter stated, in part: "within the next 60 days you are going to find a way to reverse the downward spiral of the stock price and get it over \$6.66 or the devil will be paying you a visit." It eventually concluded with the word "TicToc" and was signed by "The BISHOP". The other three letters were addressed to investment company executives and allegedly contained similar threatening language and demands.

Four additional pertinent letters were postmarked in Palatine on June 9, 2006. These letters were addressed to investment management executives and stated: "TIMES UP IT IS BETTER TO REIGN IN HELL, THAN TO SERVE IN HEAVEN... THE BISHOP". Three more pertinent letters, including one addressed to an investment company executive, for example, were postmarked on July 17, 2006 in Orlando, Florida.

The affidavit states that agents obtained original handwriting samples for Tomkins, including a bank signature card, mortgage documents, and employment documents. Those samples were compared with handwriting on the envelopes from certain mailings, and Tomkins' handwriting is allegedly on the envelopes, according to a preliminary analysis.

In addition, the photograph of Individual A's residence enclosed in an October 25, 2005, mailing depicted the window of a vehicle from which the photograph was taken. The photograph was shown to several vehicle dealers and vehicle parts companies to identify possible makes and models of vehicles corresponding to the window frame and interior visible in the photograph, and they determined that a four-door Chevrolet Lumina was the closest identified match to the vehicle. A photograph of a 1993 four-door Chevrolet Lumina was obtained, compared with the photograph, and determined to be an approximate match.

Approximately two weeks ago, on April 11, agents conducted surveillance of Tomkins in Dubuque and observed him driving a red 1993 Chevrolet Lumina four- door sedan, which records show he owns. Agents photographed the interior driver's door of Tomkins' vehicle. The photographs of the door show the same reddish cloth material having a vertical linear pattern, and the same marks at the top interior door near the door post area, as depicted in the photograph received by Individual A, according to the charges.

Further, the affidavit alleges that bank records show an automated teller withdrawal on March 13, 2006 – the same date as four pertinent mailings postmarked in Des Moines – from Tomkins' account at a bank in Altoona, Iowa, which is adjacent to a truck stop containing a mailbox from which mail is processed in Des Moines. Records also show a purchase on a debit card for

Tomkins' account on July 24, 2006, at store in Kissimmee, Florida, a week after three pertinent mailings were postmarked in Orlando, which would cover mail deposited in Kissimmee.

The complaint also describes records obtained from the SEC showing individuals with positions of at least 200 option contracts. Two reports each obtained for 3Com and Navarre identify Tomkins as the only individual (non-institutional) investor account appearing in those reports at certain times dating back to 2005. Trading records obtained show that Tomkins held financial interests in 3Com and Navarre that would have increased in value had the securities moved in the directions demanded in the threatening letters and when the pipe bombs were mailed.

Sales records from a home improvement store in Dubuque show that in December 2006, certain PVC caps and PVC pipe were purchased using Tomkins' credit card. Samples of PVC pipe and caps purchased recently were found to be consistent with the materials used in the alleged destructive devices. Plotting several post office locations from Tomkins' residence showed it to be a central location from which postmarks could be obtained in Milwaukee, Palatine, Rolling Meadows, and Des Moines, by driving no more than approximately 160 miles, the complaint alleges.

The government is being represented by Assistant U.S. Attorney Mark E. Schneider.

If convicted, mailing a threatening communication with intent to extort carries a maximum sentence of 20 years in prison and possession of an unregistered destructive device carries a maximum of 10 years in prison and both counts carry a maximum fine of \$250,000. The Court would determine the appropriate sentence to be imposed.

The public is reminded that a complaint contains only charges and are not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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